



COMMUNITY SERVICES COMMISSION

Barbara Cardillo, Chair
Toni Blackstock
Nancy Marcus
Peter Hadar

Susan Gomez, Vice Chair
Matt Guettler
Michelle Thiebaud
Stanford Stickney

TOWN OF LOS GATOS COMMUNITY SERVICES COMMISSION PUBLIC HEARING MEETING

**MARCH 12, 2009
5:00 P.M.**

**208 East Main Street, Room 208
Neighborhood Center (Upstairs)
Los Gatos, California**

PARTICIPATION IN THE PUBLIC PROCESS

The Town of Los Gatos strongly encourages your active participation in the public process, which is the cornerstone of democracy. If you wish to speak to an item NOT on the agenda, you may do so during the "Verbal Communications" period. The time allocated to speakers may change to better facilitate the Community Services Commission meeting.

The purpose of the Community Services Commission meeting is to conduct the business of the community in an effective and efficient manner. This is done by following meeting guidelines set forth in State law and in the Town Code. Conduct which is considered disruptive during Community Services Commission meetings include, but is not limited to:

- Addressing the Community Services Commission without first being recognized;
- Interrupting speakers, Community Services Commission members, and Town staff;
- Continuing to speak after the allotted time has expired;
- Failing to relinquish the podium when directed to do so; and
- Repetitiously addressing the same subject.

For the benefit of the community, the Town of Los Gatos asks that you follow the Town's meeting guidelines while attending Community Services Commission meetings and treat everyone with respect and dignity.

Writings related to an item on Community Services meeting agenda distributed to members of the Commission within 72 hours of the meeting are available for public review at the front desk of the Los Gatos Public Library, located at 110 E. Main Street and are also published on the official Town of Los Gatos website. Copies of desk items distributed to members of the Commission at the meeting are available for review in the Neighborhood Center at front desk.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Services Department at (408) 354-6888. Notification 48 Hours before the meeting will enable the Town to make reasonable arrangements to ensure accessibility to the meeting. [28 CFR 35, 102-35.104]

COMMUNITY SERVICES COMMISSION
MARCH 12, 2009 AGENDA

1. **ROLL CALL**
 - 1.1 Introductions
2. **MINUTES**
 - 2.1 Approval of December 4, 2008 Minutes (Attachment 1)
3. **COMMUNICATIONS**

(Three minute time limit per speaker for subjects not on agenda.)

 - 3.1 Verbal
 - 3.2 Written
4. **COMMITTEE REPORTS**
 - 4.1 Consider the allocation of Community Grant funds for FY 2009-010, including: (Attachment 2)
 - Open and hold public hearing;
 - Close the public hearing;
 - Adopt a recommendation to the Town Council that it allocate FY 2009/10 General Fund Human Services grants as shown in Exhibit A;
 - Adopt a recommendation to the Town Council that it adopt a resolution allocating Community Development Block Grant funds for fiscal year 2009/10 as shown in Exhibit B.
 - 4.2 Steering Committee: Council/Commission Retreat (Cardillo) (Attachment 3)
 - 4.3 Disaster Preparedness/CERT Activities: Informational Report (Cardillo)
5. **LIAISON REPORTS: Informational Reports**
 - 5.1 General Plan Committee (Cardillo)
 - 5.2 County Housing and Community Development; (Guettler)
 - 5.3 Town Youth Commission (Hadar)
 - 5.4 Drug Free Community (Blackstock)
6. **STAFF REPORTS**
 - 6.1 Affordable Housing Strategies; Informational only (Attachment 4)
7. **ADJOURNMENT**

Adjourn to April 2, 2009

ATTACHMENTS:

1. February 5, 2009 Minutes
2. Evaluation Committee Recommendation
3. CSC Retreat Questionnaire
4. Affordable Housing Strategy

ATTENDANCE: Please contact the Commission Chair or the Community Services Department at (408) 354-6888 if you are unable to attend. The current Town Attendance Resolution states that any commissioner who is absent from four regular meetings held in a twelve month period, shall surrender his or her office on the Commission.



MEMORANDUM

COMMUNITY SERVICES DEPARTMENT

To: Community Services Commission
From: Evaluation Committee
Subject: FY 2008/09 Community Grant Allocation Recommendations
Date: March 9, 2009

RECOMMENDATION

Consider the allocation of Community Grant funds for FY 2009/10, including:

1. Open and hold a public hearing;
2. Close the public hearing;
3. Adopt a recommendation to the Town Council that it allocate FY 2009/10 Human Services grants as shown in Exhibit A.
4. Accept Staff recommendation to adopt a resolution allocating FY 2009/10 Community Development Block Grant funds as Capital Project Funding.

BACKGROUND

The Community Grant program provides grants to non-profit agencies through General Fund, Community Development Block Grant (CDBG), and other funding sources. Human services and CDBG capital project applications are reviewed by the Community Services Commission for recommendation to the Town Council; the Arts Commission reviews arts, cultural, and educational service agency applications.

This report summarizes the recommendation of the Community Services Commission's Evaluation Committee to the Community Services Commission. At its March 12 meeting, the Community Services Commission will consider this recommendation, and adopt a recommendation to the Town Council. The Town Council will consider the Commission's recommendation at its April 6 meeting.

DISCUSSION

The Town received 15 applications for funding in the Human Services category. Summaries of these applications are attached as Exhibit B. Evaluation Committee members met on February 19 and 24 to discuss the services provided by the applicants, the benefit received by Los Gatos residents, and the agencies' funding requests for FY 2009/10.

Funding Recommendation

The Community Services Department and the members of the Evaluation Committee concur that the current agencies are meeting the goals of their FY 2009/10 grant contracts and are providing valuable human services to Los Gatos residents. There have been no dramatic changes in the level of service provided by the agencies therefore, given the direction that the Commission maintain a status quo services budget for FY 2009/10, the Committee recommends that all agencies be allocated the same grant amount in FY 2009/10 that they received in FY 2008/09.

Notwithstanding the foregoing, given the current economic climate and increased need for basic services for our residents, the Committee is recommending that the Second Harvest Food Bank request be fully funded at the requested amount. This results in an increase from \$3,800 in FY 2008/09 to \$5,000. This \$1,200 increase is possible by reducing grants to two agencies by \$600: A Place for Teens is reduced from \$12,000 in FY 2008/09 to \$11,400 and the grant to the Teen and Family Counseling Center is reduced from \$27,050 to \$26,450.

Funding for Community Development Block Grant (CDBG) comes ultimately from the federal government. In FY 2009/10, the CDBG grant allocation to the Town will be reduced from the FY 2008/09 amount of \$32,730 to \$27,050. The Committee recommends that agencies receiving CDBG funds be allocated the same amount in FY 2009/10 as they received in FY 2008/09, and that the difference be made up with Town General Fund monies.

Three new applications for funding are not recommended at this time.

The Evaluation Committee extends its thanks to all the agencies who participated in this process.

EXHIBITS

- A. FY 2009/10 Community Grant Program funding recommendation
- B. Community Grant Program application summaries
- C. Memo Regarding Capital Project Funding

Distribution

A Place For Teens
Assistance League
Catholic Charities/Ombudsman
Cupertino Community Services
Live Oak Adult Day Services
Live Oak Senior Nutrition & Service
Next Door Solutions to Domestic Violence
Parents Helping Parents
SJSU Foundation/The Health Place

Santa Clara County Family Health Foundation

Second Harvest Food Bank

Senior Housing Solutions

Support Network for Battered Women

Teen and Family Counseling Center

United Way Silicon Valley

Wildlife Center of Silicon Valley

Kevin Rohani, Assistant Director of Parks and Public Works/Town Engineer

**Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary**

Project: Project/Program: Brown Bag Program
Program Manager: Lori Mathis

Agency: Name of Agency: Second Harvest Food Bank
Site Address: 750 Curtner Avenue, San Jose, CA 95125
Name of Executive Director: Keith Flagler

Project Description: Provide brief description of agency, agency goals, and agency services. List direct services and quantity below.

The mission of Second Harvest Food Bank is to provide food for those in need in our communities. As the primary source for donated, surplus, and purchased food for nonprofit agencies in Santa Clara and San Mateo Counties, we collaborate with a network of 328 agencies to provide food efficiently at more than 1,000 distribution sites. Food Bank clients reside in every zip code of our service area—from Daly City to Gilroy, from the ocean to the bay.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
1. Provide a weekly bag of groceries weighing between 20 to 25 pounds to very low-income seniors and disabled individuals.	70 households	60 households	87 households
2. Conduct quarterly nutrition education activities.	4	4 activities	4 activities
3. Publish and distribute a quarterly newsletter	4	4 newsletters	2 newsletters
4. Provide volunteer opportunities at the Food Bank's Distribution Center and at the Los Gatos distribution sites.	13 volunteers 600 hours	8 volunteer opportunities	12 volunteers 346 hours

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	5,000	3,800
Total program budget	4,024,700	3,815,935
Town \$ as % of total	0.12%	0.09%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	70	60
Total undup clients	8,000	8,000
LG clients as % of total	0.875%	0.75%
Services per LG client	Weekly bags of groceries weighing between 20-25 lbs.	50 bags

Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary

Project: Project/Program: THE VENUE
Program Manager: Mike Loya

Agency: Name of Agency A Place for Teens
Site Address: 4 NY Ave, LG
Name of Executive Director Lee Fagot

Project Description: Provide brief description of agency, agency goals, and agency services. List direct services and quantity below.

After school and weekend programs to be held at our Teen center , called THE VENUE. The goal is to offer a safe, and inviting atmosphere to attract teens to our adult supervised facility. The goal is to engage teens daily in activities that reduce their chances of getting into risky behavior

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
After school drop in center (avg daily attendance)	250	370	370+
Number of monthly special events monthly	3	8	7
Workshops and classes per month	1	6	7
Special events with other non-profits per year	10	10	9

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	\$10,750	\$12,000
Total program budget	\$140,325	\$140,325
Town \$ as % of total	7.6%	8.5%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	250 daily	250 daily
Total undup clients		
LG clients as % of total	90% estimate	90% estimate
Services per LG client		

TOWN OF LOS GATOS ♦ FY 2009/10

**APPLICATION FOR COMMUNITY GRANT FUNDING
OF \$2,000 OR LESS**

GRANT APPLICATION

1. Contact Information

Legal name of organization	Assistance League® of Los Gatos--Saratoga
Address of organization	P.O. Box 320455 Los Gatos, CA 95032
Organization contact (Name, title, telephone number, email address)	Sue Schneider President 408-265-7823 Sschnei106@aol.com
Program name	Operation School Bell® – Clothes for Kids
Site address of program	Raymond J. Fischer Middle School 19195 Fischer Avenue Contact: Maureen O'Hara, District Nurse
Program manager (Name, title, telephone number, email address)	Kathy Duryea Clothes for Kids Program Chairperson 408-354-7262 kaduryea@verizon.net
Grant amount requested FY 2009/10	\$2,000

2. Program Information

Please provide a brief narrative description for each of the following topics:

Agency description (a brief history of the agency, its mission, and its goals):

Assistance League of Los Gatos--Saratoga is a nonprofit philanthropic, volunteer organization that identifies and addresses needs within the West San Jose area. The National Assistance League was established in Los Angeles in the early 1890s. Our chapter was formed as a guild in September 2000 and became the 110th chapter of the National organization in 2003. Our local chapter is one of 120 chapters nationwide with over 24,000 members. During the past year our 100 members donated more than 14,000 hours of service to 750 children and seniors in Campbell, Los Gatos, San Jose and Saratoga. Members currently support and deliver seven philanthropic programs to provide warm jackets/uniforms/shoes, books/dictionaries for home and classroom, scholarships for science camps, a walking/nutrition program, diapers/blankets/infant clothing/grocery gift cards to needy moms, and nutritious lunches and craft projects to seniors.

Program description (a brief description of the program for which you are requesting funding):

The Clothes for Kids program provides new warm jackets and vouchers for new shoes for school children. Our programs are designed to be non-duplicative with other projects in the community. Requests for our services continue to increase. We assist children and families with the greatest needs as determined by school personnel. Last year we provided clothing to 381 students in 20 schools in Burbank, Campbell, Los Gatos, and Moreland school districts.

Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary

Project: Project/Program: Long Term Care Ombudsman Program
Program Manager: Wanda Hale

Agency: Name of Agency: Catholic Charities of Santa Clara County
Site Address: 2625 Zanker Road, Suite 200, San Jose, CA 95134-2107
Name of Executive Director: Gregory Kepferle

Project Description: Provide brief description of agency, agency goals, and agency services.
List direct services and quantity below.

The Ombudsman Program has a unique role. The Program specifically serves residents in long term care facilities with unimpeded legal and confidential access to these residents 7 days a week. As independent advocates, the Long Term Care Ombudsman Program is the only certified, unrestricted organization that can go into long term care facilities on a resident's behalf. The primary purpose of the Long Term Care Ombudsman Program is to receive, identify, investigate and impartially resolve complaints made by, or on behalf of residents of long term care facilities. The resident is at the center of the provision of long-term care services as a consumer. The Ombudsman Program reinforces the centrality of the resident. The care setting in which the vulnerable and dependent resident is placed has its own priorities and constraints. The balance of power is tilted towards the provider, and one of the functions of the Long-term care Ombudsman is to correct this tendency. The effect of cumulative visitation, at unannounced times throughout a year, raises the level of staff accountability to care for all of the residents. Ultimately the goal of such visits is the improvement of the quality of care and life in that facility.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
Unduplicated resident contacts	440	488	590
Site visits to long term care facilities	132	148	121
Complaint investigations	40	44	29
Community education	1	1	1

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	7,000	7,680
Total program budget	213,506	253,942
Town \$ as % of total	3.3%	3%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	440	488
Total undup clients	8,000	10,000
LG clients as % of total	18%	<5%
Services per LG client	1	1

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**Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary**

Project: Project/Program: Healthy Kids Program in Santa Clara County
Program Manager: Emily M. Hennessy, Finance Director

Agency: Name of Agency: Santa Clara Family Health Foundation
Site Address: 210 East Hacienda Avenue, Campbell, CA 95008
Name of Executive Director: Kathleen M. King

Project Description: Provide brief description of agency, agency goals, and agency services.
List direct services and quantity below.

BACKGROUND

Santa Clara Family Health Foundation (the Foundation) is a 501(c)(3) charitable nonprofit organization that was founded by Santa Clara Family Health Plan (the Health Plan) in July 2000 to redistribute the Health Plan's resources back into the community, and receive grants and charitable contributions for programs and projects that the Health Plan would undertake in the future. Shortly after the founding of the Foundation, the Children's Health Initiative (CHI) was created by the Health Plan with enthusiastic support from Santa Clara County Board of Supervisors, Santa Clara Valley Health and Hospital System, and other community-based organizations. The approach of CHI was to conduct community outreach to enroll children into current programs and create a new program that would cover all other children who were ineligible for the current programs. Therefore, the Health Plan, along with community partners, established Healthy Kids with core funding from public tobacco funds and funding from the Health Plan.

Because of the estimated need for the provision of services to approximately 18,000 children, it was clear that significant additional funds had to be raised. As a result, the Foundation's primary focus for the past seven years has been on raising funds to support the Healthy Kids program and the Children's Health Initiative in Santa Clara County.

CHILDREN'S HEALTH INITIATIVE

CHI is a strategic, policymaking collaborative that includes organizations with a common interest in the health and well-being of children in the county. CHI's approach of conducting community outreach efforts to enroll children into Medi-Cal, Healthy Families, and Healthy Kids has had a significant impact on insuring children in the county. By June 2003, 34,611 uninsured children were enrolled in Medi-Cal or Healthy Families, and 11,643 were enrolled in Healthy Kids. From July 2003 to June 2007, another 26,389 uninsured children were provided coverage.

HEALTHY KIDS

The Healthy Kids program in Santa Clara County is health care coverage that enables low-income children in Santa Clara County to receive health services they need for healthy development. The program fills a critical gap created by the eligibility criteria of government

Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary

Project: Project/Program: Mary Kelley
Program Manager: Colleen Hudgen

Agency: Name of Agency LIVE OAK ADULT DAY SERVICES
Site Address: 111 Church Street, Los Gatos, CA 95030
Name of Executive Director Colleen Hudgen

Project Description: Provide brief description of agency, agency goals, and agency services. List direct services and quantity below.
LIVE OAK ADULT DAY SERVICES will serve 26 frail, isolated, at-risk senior Los Gatos residents, providing 1,400 days of specialized adult day care that includes life-enhancing recreation, nutritious meals and social activities, while affording their family caregiver invaluable respite and access to other supportive services.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
1. Days of adult day care (recreation and social activities) provided to Los Gatos frail seniors.	1,400	1,400	852
2. Days of respite provided to Los Gatos caregivers corresponding to program days.	1,400	1,400	852
3. Noon meals provided to Los Gatos frail seniors.	1,400	1,400	852
4. Breakfasts provided to Los Gatos frail seniors.	1,400	1,400	852

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	12,990	12,900
Total program budget	193,813	193,813
Town \$ as % of total	6.7%	6.7%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	26	26
Total undup clients	300	300
LG clients as % of total	9%	9%
Services per LG client	200	200

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**Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary**

Project: Live Oak Senior Nutrition and Service Center

Agency: Live Oak Senior Nutrition and Service Center
111 Church St, Los Gatos, Ca
Eliana Brown, Executive Director
(408)354-0707

Project Description: To provide both nutritional and socialization services to low-income seniors on a daily basis

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
Meal Served	12,000	11,000	5,189
Transportation	2,600	1,600	1,400
Socialization	600/hr 30,000	500/hr 25,000	8,000
Phone Assistance	200	100	50
Homebound Assistance	300	200	40

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	30,000	27,460
Total program budget	200,000	172,309
Town \$ as % of total	1,590	16%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	200	200
Total undup clients	50	50
LG clients as % of total	80 %	80%
Services per LG client	400	400

Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary

Project: Project/Program: The Shelter Next Door
Program Manager: Patricia Nanez

Agency: Name of Agency: Next Door Solutions to Domestic Violence
Site Address: 234 East Gish Road, Suite 200, San Jose, CA 05112
Name of Executive Director: Kathleen Krennek

Project Description: Provide brief description of agency, agency goals, and agency services. List direct services and quantity below.

Next Door seeks "to end domestic violence in the moment and for all time," by rebuilding the lives of victims, fostering healthy choices for children, and advocating for responsible policy change. To achieve its goals, Next Door provides innovative prevention and intervention services to diverse ethnic and low-income families that include: A 24-hour emergency hotline and shelter; 48 transitional housing units and supportive services at the HomeSafes San Jose and Santa Clara; Support groups; Legal advocacy; Walk-in crisis counseling and advocacy at its Community Office; Immigrant victim services; The Language Bank, which provides access to services in 37 languages; Dating violence education and support groups for teens; Children's programming; The MAVEN program for older adults; Advocacy teams for victims at the Family Violence Center, Dept. of Family and Children's Services and CalWORKS; and Community outreach at schools and businesses.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
1. Shelter individuals served: includes food, clothing, medical care, transportation, case management and youth services.	3	3	0
2. Crisis Counseling Sessions (Hotline): 24-hour emergency hotline provides advice and safety planning.	30	30	7
3. Peer/Group Counseling Sessions	150	10	116
4. Legal Assistance Sessions: Assistance obtaining temporary restraining orders, court advocacy and accompaniment.	8	8	3
5. Victim Advocacy Contacts and other supportive services: Advocates review police reports and contact victims for Town of Los Gatos and Sheriff; Other Supportive Services include any and all other Next Door services used by Los Gatos residents.	49	49	30

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	\$15,000	\$12,000
Total program budget	\$676,697	\$739,174
Town \$ as % of total	2.2%	1.6%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	100	100
Total undup clients	4,200	4,268
LG clients as % of total	2.4%	2.3%
Services per LG client	2	2

**Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary**

Project: Project/Program: PHP Community and Family Services
Program Manager: Trudy Marsh Holmes, CFS Director

Agency: Name of Agency: Parents Helping Parents (PHP)
Site Address: 1400 Parkmoor Ave., San Jose, CA 95126-3797
Name of Executive Director: Mary Ellen Peterson, M.A.

Project Description: Provide brief description of agency, agency goals, and agency services.
List direct services and quantity below.

PHP's Community and Family Services program addresses the special needs of children with disabilities and special health care needs and their families through parent education, support, information, consultation and training. By working directly with the children and also strengthening their families, children with disabilities and other special needs will reach their full potential and contribution to the Los Gatos community.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
Community and Family Services program	119	127	73

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	\$2,000	\$1,920
Total program budget	\$169,656	\$167,884
Town \$ as % of total	<1%	<1%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	119	127
Total undup clients	7,400	7,400
LG clients as % of total	0.02%	0.01%
Services per LG client	3	3

Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary

Project: Project/Program: The Health Place
Program Manager: Dr. Jayne Cohen

Agency: Name of Agency San Jose State University School of Nursing
Site Address: 1 Washington Square San Jose CA 95192-0025
Name of Executive Director Dr. Jayne Cohen -Director

Project Description: Provide brief description of agency, agency goals, and agency services. List direct services and quantity below.

This is a one year renewal request to support the Health Place, a nurse-managed center located in the town of Los Gatos. The project includes five primary programs for the elderly: (1) in-home services for the frail elderly; (2) blood pressure screening and monitoring; (3) consultation for agencies delivering services, as well as for clients and caregivers for the elderly; (4) education; and (5) information and referral. This proposal requests funds needed to operate the nurse managed center primarily during non-academic time (22 weeks), including 100% support staff salary, and 100% rent.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
Frail Home-bound Home Visits	400	480	230
Blood Pressure Screening/Monitoring	850	850	430
Consultation	400	400	200
Education	18	18	10

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	13,011	16,892
Total program budget	13,011	16,892
Town \$ as % of total	100%	100%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	22	34
Total undup clients	28	42
LG clients as % of total	80%	80%
Services per LG client	4.76	5.95

**Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary**

Project: Project/Program:
Program Manager:

Agency: Name of Agency
Site Address:
Name of Executive Director

Project Description: Provide brief description of agency, agency goals, and agency services. List direct services and quantity below.

The Support Network for Battered Women will provide Los Gatos residents comprehensive Domestic Violence Services, including: a 24-hour toll-free crisis line in English and Spanish; individual, crisis and therapeutic counseling; support groups; Walk-in or phone crisis intervention, counseling and referrals; legal advocacy and assistance; emergency shelter and living necessities; a children's and teen's program; and community outreach/education.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
Domestic Violence Services to Residents of Los Gatos	110	110	46

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	6,000	4,800
Total program budget	209,000	199,000
Town \$ as % of total	.03%	%.03%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	110	110
Total undup clients	6000	5950
LG clients as % of total	2%	2%
Services per LG client	30	30

**Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary**

Project/Program: Counseling and Related Services including Counselors on Campus, the Community Clinic, Drug and Alcohol Awareness and Resiliency Program, and Expressive Arts Camps
Program Manager: Marianne Vernacchia, MFT

Agency: Name of Agency: **Teen and Family Counseling Center, Inc. (TFCC)**
Site Address: 307 Orchard City Drive, Suite 206, Campbell, CA 95008
Name of Executive Director: Georgia Clarke

Project Description: Provide brief description of agency, agency goals, and agency services.

List direct services and quantity below.

TFCC provides long and short-term counseling sessions free to the students in 17 area schools and 2 children's hospitals in Saratoga and Campbell; and in the sliding scale, low fee Community Clinic serving low- to mid-income level families and individuals. Services provided include strategic individual, family and group therapy; couples counseling; drug and alcohol screening and intervention; group counseling on topics such as depression and suicide, self harm, and substance abuse; and community workshops and classes including bullying, anger management, and parent-teen communication. Our key goals are to create a self-sustainable Clinic; offer 4 therapeutic Expressive Arts Camps for kids ages 6-12 in summer 2009; increase our alcohol and drug program and services; increase Board effectiveness in fundraising and fund development; increase our fundraising revenue; and expand our donor base.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
Direct Counseling Services (Individual, Couple, & Family counseling provided to Children, Teens and Adults at both our TFCC Clinic and at our School Sites)	800	770	413
Group Counseling Services	30	10	15

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	\$23,804.00	\$27,050.00
Total program budget	\$110,900	\$73,369
Town \$ as % of total	21%	37%

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	135	125 (75 mid-year)
Total undup clients	950 (proj.)	594 (mid-yr)
LG clients as % of total	14%	13%
Services per LG client	6	5.6

Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary

Project: Project/Program: 2-1-1 Santa Clara County (2-1-1 SCC)
Program Manager: Kim Ferm, 2-1-1 SCC Director

Agency: Name of Agency: United Way Silicon Valley (UWSV)
Site Address: 1400 Parkmoor Avenue, Suite 250, San Jose, CA 95126
Name of Executive Director: Carole Leigh Hutton, President & CEO

Project Description: Provide brief description of agency, agency goals, and agency services. List direct services and quantity below.

UWSV Description:

Everyone deserves opportunities to have a good life: a quality education that leads to a stable job, enough income to support a family through retirement, and good health. United Way Silicon Valley's work is focused on the building blocks for a good life: *Education - Helping Children and Youth Achieve Their Potential; Income - Promoting Financial Stability and Independence; and Health - Improving People's Health.*

Advancing the common good is less about helping one person at a time and more about improving systems to help the community as a whole. We are all connected and interdependent. We all win when a child succeeds in school, when families are financially stable, when people are healthy.

UWSV goals:

United Way Silicon Valley's goal is to create long-lasting changes by addressing the underlying causes of these problems. Living united means being a part of the change. It takes everyone in the community working together to create a brighter future.

UWSV services:

UWSV services include: 2-1-1 Santa Clara County, Alternative Education Collaborative, Earn It Keep It Save It, Bank on San Jose, Women Leading Change IDA Program, Emergency Assistance Network, and Covering California's Children.

This proposal is intended to support the UWSV program: 2-1-1 Santa Clara County (2-1-1 SCC). 2-1-1 SCC is a toll-free 3-digit calling code set aside for the public for health and human service information and referrals. The service is available 24/7 in over 140 languages, with calls being answered by trained and certified call specialists. Information is also available through the website at www.211SCC.org. 2-1-1 SCC offers information on a broad range of services, including housing and shelter assistance, financial literacy, child and elder care, after school programs, and mental health and other health resources. In addition, 2-1-1 SCC call centers can connect volunteers to community projects, and in-kind item donations to agencies where their gifts may be best utilized. In participation with the Santa Clara County Office of Emergency Preparedness, 2-1-1 SCC is being integrated into the regional disaster response plans. During times of wide-spread emergencies, 2-1-1 SCC becomes a vital information conduit for the public, as most recently seen with the Santa Cruz Mountain wildfires.

Direct Services (2-1-1 Santa Clara County)

Response: 2-1-1 Santa Clara County is a confidential and service when possible, caller's zip code information is collected. The website does not track geography. 2-1-1 Santa Clara County is a tool that is used by case workers, program managers and other professionals, and employers in assisting their clients or employees in identifying and accessing health and human service needs.

Service 2-1-1 Santa Clara County	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
All Los Gatos residents have free 2-1-1 SCC access from cell phones, pay phones and all other land lines	28,592	28,592	28,592
All Los Gatos residents have free 2-1-1 SCC website access, if they have internet service. www.211scc.org	N/A	N/A	N/A
All Los Gatos residents have free TTY access to 2-1-1 SCC by calling 866-390-6845.	As needed	As needed	As needed

Program Funding:

Clients: (Please see response)

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	\$5,000	\$2,500
Total program budget	\$736,751*	\$736,751
Town \$ as % of total	.7%	.3%

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients	N/A	N/A
Total undup clients	N/A	N/A
LG clients as % of total	N/A	N/A
Services per LG client	N/A	N/A

* This is an estimate. Organizational and program budgets for FY 09/10 will not be complete until May/June 2009.

**Town of Los Gatos
FY 2009/10 Community Grant Program
Application Summary**

Project: Project/Program: Education & Outreach Program, Wildlife Center of Silicon Valley
Program Manager: Jennifer Constantin

Agency: Name of Agency: Wildlife Center of Silicon Valley (www.wcsv.org)
Site Address: 3027 Penitencia Creek Rd., San Jose, CA 95132
Name of Executive Director: None; the position is currently vacant

Project Description: Provide brief description of agency, agency goals, and agency services. List direct services and quantity below.

The Wildlife Center of Silicon Valley is a 501(c)3 organization. Our mission is to provide quality care for, and rehabilitation of, injured, sick, and orphaned wildlife in Silicon Valley. Through our education and outreach program, newsletter, telephone hotline and website (www.wcsv.org) we strive to foster a positive coexistence between the public and wildlife. We also encourage an interest in and concern for wildlife and conservation issues.

The staff and volunteers of the WCSV care for an average of 4,000 injured, orphaned, and sick birds and mammals each year. We are the only wildlife rehabilitation and release organization between Mountain View and Morgan Hill. Over the past ten years, we have rehabilitated tens of thousands of birds and mammals representing over 140 different species. We have also increased Silicon Valley residents' awareness and understanding of wildlife issues through our educational outreach and telephone advice programs. Because of the extraordinary efforts and generosity of over 120 dedicated volunteers, we are able to provide our valuable services on a budget far smaller than similar organizations in California. However, each year we face financial challenges. Although we do contract to provide wildlife services to the cities we serve, we must raise well over half of our annual budget through monetary and in-kind donations, membership fees, and grants.

Put simply, we are an organization that helps people help wild animals. When residents find an injured animal, they have a place to go for information and assistance. We make a difference in the lives of thousands of people -- and thousands of wild animals -- in Silicon Valley.

Direct Services

Service	Number of Services Provided		
	FY 2009/10 (proposed)	FY 2008/09 (adopted)	FY 2008/09 (actual mid-year)
Telephone support in response to phone calls made by Los Gatos residents	140 (estimated, based on recent trend)		140 in 2008 (3.9% of our total)
Intake of wild animals brought to us from Los Gatos residents (typically 4% to 5% of our annual total)	160 + (estimated, based on recent trend)		208 wild animals received from Los Gatos residents in 2008
Educational presentations	Three		One in March '08, Hillbrook School, Los Gatos

Program Funding:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Town funding amount	\$3,000	
Total program budget	\$3,000	
Town \$ as % of total	100%	

Clients:

	FY 2009/10 (requested)	FY 2008/09 (adopted)
Undup LG clients		
Total undup clients		
LG clients as % of total		
Services per LG client		



2009 RETREAT QUESTIONNAIRE

DRAFT

Commission/Committee: | **Community Services Commission**

<u>Commissioner</u>	<u>Length of Term</u>	<u>Term Expires</u>
Barbara Cardillo - Chair	3 years	12/31/09
Susan Gomez - Vice Chair	3 years	12/31/10
Toni Blackstock	3 years	12/31/10
Matt Guettler	3 years	12/31/11
Nancy Marcus	3 years	12/31/09
Michelle Thiebaud	3 years	12/31/11
Anita Wolf	2 years	12/31/09
Student Members:		
Adam Hadar	1 year	06/30/09
Stanford Stickney	1 year	06/30/09

Meeting Information

Date: 1st Thursday of each month

Time: 5:00 p.m.

Location: 208 E. Main Street

Staff: Regina Falkner, Community Services Director

2009 Retreat Questionnaire Community Services Commission

Major accomplishments of the past year.

During the past year, Commission liaisons continued to actively work with a number of local and regional committees. These included the County Housing and Community Development Advisory Committee, General Plan Committee, Drug Free Community, Youth Commission, and the Senior Consortium. The liaisons regularly communicated project status to the Commission.

The Commission successfully implemented two modifications to the Community Grant funding process which awards grants to human service agencies serving Los Gatos residents. First, the Commission invited the agencies for a public meeting earlier in the review cycle and second, the Town will be implementing a two-year funding cycle beginning in FY 2009/10. This coincides with the County process.

In order to stay informed about community trends, issues and needs, the CSC assigns commissioners to visit funded agencies each year. Information obtained during the visit is shared at the CSC meeting and helps guide current and future funding decisions.

In January, Barbara Cardillo met with Community Services and Police Department staff regarding response to residents who are homebound or otherwise vulnerable, during and after a major disaster. It was agreed that the 2009 Los Gatos Prepared Campaign will include special efforts to reach out to and educate these residents.

Proposed projects for upcoming year.

In addition to its regular work projects, the Commission will continue to explore the Town's website for ease of navigation. The Commission will also continue to act in a coordination role for the Town's Environmental Sustainability Committee.

Issues specific to Commission.

During the next year the Community Services Commission will continue to monitor the two-year funding cycle implemented by the County Community Development Block Grant program. This option will be evaluated by the Commission and staff for possible implementation by the Town.

What training would be beneficial to the Commission?

Barbara Cardillo, CSC Chair, is a Leadership Los Gatos. Commissioners will continue to be encouraged to attend the two Leadership Los Gatos sessions open to all Commissioners and any future Commissioner trainings. The Commission appreciates the annual budget presentations provided by the Town Manager.

Questions and comments for the Council.

The Commission would like feedback from Council about the Commissions' efforts as well as direction as to any additional projects the Council would like the Commission to explore.

2008 Council / Commission Retreat

COMMUNITY SERVICES COMMISSION

Highlights of Discussion Areas	Action/Issue	Assigned To	Due Date and Status
Care of vulnerable populations during and after a disaster	Investigate alternative systems to the CERT program for identifying and caring for homebound residents. Ultimately, it is the goal of the CERT program to cover the entire Town.	Community Services Commission, Senior Coordinator and Community Services Director	Police Department staff will include targeted outreach and education to vulnerable populations as part of the 2009 Los Gatos Prepared campaign.
Community Grant Program	Evaluate Grant Program and review best practices. Consider two-year funding cycle.	Community Services Commission and Community Services Director	Two year funding cycle will be implemented beginning FY 2009/10.
Community Services on Town website	Assess the Town's website for ease of navigation.	Community Services Commission, Community Service Director, and Assistant to Town Manager	Ongoing

2008 Council / Commission Retreat

COMMUNITY SERVICES COMMISSION

Highlights of Discussion Areas	Action/Issue	Assigned To	Due Date and Status
Sustainability Committee	Develop agendas aimed at informing committee members of current and planned activities and obtaining feedback on these efforts.	Community Services Commission and Community Services Director	Anticipate that Sustainability Committee will continue through June 2009.



MEMORANDUM

Community Services Department

To: Community Services Commission

From: Regina Falkner, Director of Community Services

Subject: FY 2009/10 CDBG Capital Project Funding

Date: March 9, 2009

RECOMMENDATION:

Adopt a recommendation to the Town Council that it adopt a resolution allocating FY 2009/10 Community Development Block Grant funds as shown in Exhibit A.

DISCUSSION:

The Staff recommends that CDBG Capital Project funds be allocated as shown in Exhibit A. The Town has a contractual obligation of \$13,000 with the County to administer the Urban County Housing Rehabilitation Program. The remainder of the funding would be used for Americans with Disability Act (ADA) compliance projects at Town facilities, as follows:

Oak Meadow Park ADA Pathway Improvements

This project will provide a safe and paved access for the users of Oak Meadow Park which is the busiest public park in Los Gatos. The scope of work will include paving an existing dirt/gravel pathway from the parking lot to the restroom facilities at Oak Meadow Park. This area is used heavily by the public and it is not accessible for people with disabilities using wheelchairs or similar devices.

In addition this project will construct a paved pathway around the turf area of Oak Meadow Park to provide wheelchair accessibility to the picnic areas and the band stand. This area currently has a dirt/gravel surface and not accessible for people with disabilities using wheelchairs or similar devices.

Should funding for FY 2009/10 be decreased at the federal level, the Committee recommends that the decrease be reflected in the ADA projects so that the Town may meet its contractual obligation to the County.

EXHIBITS:

- A. FY 2009/10 Community Development Block Grant Program funding recommendation

Distribution - Kevin Rohani, Assistant Director of Parks and Public Works/Town Engineer

TOWN OF LOS GATOS			
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM			
FY 2009-10			
			2009/10
	2008/09	2009/10	Commission
	Allocation	Request	Recommendation
Category I: Public Service			
Catholic Charities/Long Term Care Ombudsman	\$ 7,680	\$ 7,000	\$ 7,680
Live Oak Adult Day Services	\$ 12,990	\$ 12,990	\$ 12,990
Second Harvest Food Bank	\$ 3,800	\$ 5,000	\$ 5,000
Santa Clara Family Health Foundation	\$ -	\$ 19,977	\$ -
SJSU Foundation/Health Place	\$ 8,260	\$ 13,011	\$ 1,380
Category I Subtotal	\$ 32,730	\$ 57,978	\$ 27,050
Category I Cap	\$	\$	\$ 27,050
Category II: Housing & Other			
ADA Path - Oak Meadow Park		\$ 45,000	\$ 74,017
Housing Rehab		\$	\$
Installation of Curb Cuts for ADA Compliance	\$ 65,484	\$ -	\$
Housing Rehab Admin		\$ -	\$ -
Urban County Rehab Services	\$ 20,000	\$ 20,000	\$ 13,000
Category II Subtotal	\$ 85,484	\$ 65,000	\$ 87,017
Category II Cap			\$ 87,017
Administration			
General Administration	\$ 15,000	\$ 15,000	\$ 15,000
Administration Subtotal	\$ 15,000	\$ 15,000	\$ 15,000
Administration Cap	\$ 15,000	\$	\$ 15,000
TOTAL ALLOCATIONS			
Total Cap	\$ 133,214	\$ 137,978	\$ 129,067
N:\CSD\Grants\2009-10\Community Grant Summary.xls			



MEMORANDUM

Community Services Department

To: Community Services Commission

From: Regina Falkner, Community Services Director

Subject: Affordable Housing Strategy

Date: March 4, 2009

Recommendation:
For information only

Discussion:

The Town retained Seifel Consulting to develop an Affordable Housing Strategy with the following objectives:

- Spend accumulated funds in the Redevelopment Housing Set-Aside Fund and Below Market In-Lieu Fund.
- Produce as many affordable housing units as possible per dollar invested.
- Attain the Town's Housing Element goals and help meet housing needs, including the Town's Regional Housing Needs Allocation.
- Meet the Redevelopment Agency's Redevelopment Plan housing goals and obligations.

As a result of Seifel Consulting and Town staff work, Seifel has prepared an Affordable Housing Strategy which includes a recommended affordable housing strategy and allocation of Town affordable housing resources. This matter is tentatively scheduled to be considered by the Town Council on April 6, 2008. If the Commission has any questions or comments regarding this document please contact Joel Paulson, Associate Planner, at 354-6879.

cc: Bud Lortz, Community Development Director
Joel Paulsen, Associate Planner

FINAL

Affordable Housing Strategy

Prepared for:

**The Town of Los Gatos and
Los Gatos Redevelopment Agency**

February 2009

Seifel
CONSULTING INC

221 Main Street
Suite 420
San Francisco CA
94105

415.618.0700
fax 415.618.0707
www.seifel.com

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Affordable Housing Strategy

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Los Gatos Redevelopment Agency

Affordable Housing Strategy (cont.)

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Appendices

Appendix A: Potential Sites for New Infill Development, Acquisition/Rehab and Purchasing Affordability Covenants	
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I. Introduction

The Town of Los Gatos retained Seifel Consulting Inc. (Seifel) to assist Town staff in developing an Affordable Housing Strategy (Strategy) with the following objectives:

- Spend accumulated funds in the Redevelopment Housing Set-Aside Fund (\$7.2 million) and the Below Market Price (BMP) Program In-Lieu Fee Fund (\$1.4 million).
- Produce as many affordable housing units as possible per dollar invested.
- Attain the Town's Housing Element goals and help meet the Town's housing needs, including its Regional Housing Needs Allocation.
- Meet the Los Gatos Redevelopment Agency's (Agency) Redevelopment Plan housing goals and obligations.

Seifel has worked with Town staff to assess the Town's housing needs and obligations, the Town's existing housing programs, affordable housing inventory, and financial resources. In June 2008, Seifel toured Downtown Los Gatos and various neighborhoods, as well as the Central Los Gatos Redevelopment Project Area, with Town staff to identify potential opportunity sites for acquisition/rehabilitation and other types of affordable housing projects. In November of 2008, Seifel received and reviewed Housing Element data needed for the Housing Needs Assessment section of this Strategy.¹ To supplement Housing Element data, Seifel also gathered and analyzed additional data needed for completing the assessment. Our work has culminated in the preparation of this Strategy including a recommended affordable housing strategy and allocation of resources. This report is organized as follows:

- I. Introduction
- II. Overview of the Town's Housing Needs, Goals and Obligations
- III. Existing Housing Programs
- IV. Current and Projected Funds Available for Affordable Housing
- V. Affordable Housing Strategy
- VI. Conclusions and Next Steps

¹ Town of Los Gatos Draft Housing Element Update (2009), Ch. 1-4.

II. Overview of the Town's Housing Needs, Goals and Obligations

This section examines the key objectives that the Affordable Housing Strategy should fulfill. It begins with a summary of the Town's housing needs and presents the goals articulated in the Town's Housing Element. It then describes the Redevelopment Plan's goals and obligations, as well as its progress to date in meeting the obligations.

A. Housing Needs Assessment

A clear understanding of the housing needs of the Town is essential to the formulation of an Affordable Housing Strategy. Data from the 2009 Draft Housing Element Update formed the foundation of Seifel's assessment of the Town's housing needs.

1. Population and Housing Units

According to the 2009 Draft Housing Element Update, the estimated population of the Town of Los Gatos is 28,813 and its residents are housed in approximately 12,952 housing units.² Over the past three decades, the Town's population and housing supply have grown at a slow pace, and is projected to continue at a similar pace. According to the Association of Bay Area Governments (ABAG), the Town's population is anticipated to grow by 7 % to 30,900 people between 2005 and 2025.

2. Housing Construction Types and Tenure

Approximately 70 percent of the total housing units in Los Gatos are single family units, including single family attached units. An additional 29 percent of housing units are multifamily apartments or buildings with two or more units. Mobile homes account for the remaining one percent of housing units in the Town.³

Owner-occupied units form the majority of the housing tenure types in Los Gatos. The 2000 U.S. Census reported that 65 percent of housing units in the Town are owner-occupied and 35 percent are renter-occupied.⁴

3. Housing Affordability Gap

A barometer to measure housing needs in a community is the housing affordability gap, which is the difference between what households can afford to pay for housing-related expenses and actual housing costs. This section compares household incomes to typical costs for rental and for sale housing in Los Gatos to determine if the community's housing needs are being met by the local rental and for sale housing market.

² Both the Town's population and housing unit estimates are as of 2008.

³ Town of Los Gatos Draft Housing Element Update (2009).

⁴ Ibid.

a. Household Income

Many local jurisdictions, including Los Gatos, use the countywide household income limits set by the U.S. Department of Housing and Urban Development (HUD), as a standard for defining income categories within a community. Table 1 summarizes the maximum income levels for each income category and household size for Santa Clara County. The typical or “median” household income for a four-person household in Santa Clara County is \$97,800.⁵ This figure is generally referred to as the Area Median Income (AMI) because it represents the midpoint of household incomes within the county, with half of the households countywide earning incomes above this level and half below. Area Median Income is also referred to as 100 percent AMI, and HUD defines all other income levels in relation to a percentage of AMI, as presented in Table 1.

Table 1
Household Income by Household Size
Santa Clara County

Income Category	Household Size							
	1	2	3	4	5	6	7	8
Extremely Low (30% AMI)	\$22,300	\$25,500	\$28,650	\$31,850	\$34,400	\$36,950	\$39,500	\$42,050
Very Low (50% AMI)	\$37,150	\$42,450	\$47,750	\$53,050	\$57,300	\$61,550	\$65,800	\$70,050
Low Income (80% AMI)	\$59,400	\$67,900	\$76,400	\$84,900	\$91,650	\$98,450	\$105,250	\$112,050
Moderate (120% AMI)	\$82,200	\$93,900	\$105,700	\$117,400	\$126,800	\$136,200	\$145,600	\$155,000

Source: U.S. Department of Housing and Urban Development, issued by State of California Department of HCD February 28, 2008.

According to the 2009 Draft Housing Element Update, extremely low, very low and low income households comprise approximately 20 percent of all households in the Town, as shown in Table 2 below.

Table 2
Households by Income Category in 2000
Town of Los Gatos

Income Category	Total Households^a	Percent of Total Households
Extremely Low	900	7.5%
Very Low	677	5.7%
Low	772	6.5%
Moderate and Above	9,611	80.4%
Total	11,960	100.0%

a. U.S. Department of Housing and Urban Development,
Comprehensive Housing Affordability Strategy (CHAS) 2000 data.

Source: Town of Los Gatos Draft Housing Element Update (2009),
Design, Community & Environment (DC&E), Seifel Consulting Inc.

⁵ State of California HCD, “Official State Income Limits for 2008” (February 28, 2008).

b. Housing Costs and the Affordability Gap

According to Federal and State housing standards, in order for housing to be affordable, a household is expected to spend no more than 30 to 35 percent of its gross monthly income on housing related expenses, also known as the allowed monthly housing cost. Such expenses may include utilities and rent for renters, or utilities, mortgage, property tax, insurance and homeowners assessment fee for homeowners. Implicit in the allowed monthly housing cost is the rental or mortgage payment a household can afford.

Overall, housing costs are high in Los Gatos. The cost of renting an apartment or purchasing a home in the Town is not affordable to a four-person household of extremely low, very low and low income. As shown in Table 3, the average market rate rent of \$2,600 per month for a three-bedroom unit is only affordable to households of moderate income and above. The Town's median home sales price of \$838,000 in November 2008 is unaffordable to households of low and moderate income.

Table 3
Comparison of Household Income and Housing Costs in 2008
Town of Los Gatos

Income Category	Maximum Income (Four-Person Household)^a	Maximum Monthly Income	Affordable Rent/ Allowed Monthly Housing Cost^b	Affordable Sales Price^c
Extremely Low	\$31,850	\$2,654	\$796	\$66,000
Very Low	\$53,050	\$4,421	\$1,326	\$146,000
Low	\$84,900	\$7,075	\$2,123	\$266,000
Moderate	\$117,400	\$9,783	\$3,424	\$462,000
Market Rate ^d			\$2,600	\$838,000

a. Maximum income as defined by HUD for Santa Clara County.

b. Calculated as 35% of monthly income for moderate income and 30% for all other income levels, as defined by California Redevelopment Law.

c. Estimate rounded and based on monthly income with 10 percent down payment and 30-year amortized loan with an allowance for utilities, taxes, HOA dues, and insurance.

d. Average market rent for three bedroom units as of January 2009 (<http://www.craigslist.org>, <http://www.apartmentratings.com/rate/CA-Los-Gatos.html#market>). Median sales price for new construction and resales of single family homes and condos (DataQuick Real Estate News, November 2008).

Source: Town of Los Gatos, Seifel Consulting, DataQuick Real Estate News

c. Recent Housing Market Conditions

In the past year, the Town has experienced an 18.2 percent decrease in housing sales prices from \$1.02 million in November 2007 to \$838,000 in November 2008.⁶ According to Town staff, Los Gatos has had relatively few home foreclosures during the recent mortgage crisis and downturn in the real estate market. While housing sales prices are decreasing in Los Gatos, the cost of owning a home in Los Gatos is, and will likely continue to be, unaffordable for most of the community's low and moderate income households.

4. Regional Housing Needs Allocation

The Regional Housing Needs Allocation (RHNA) is a measure of the future housing needs of the Town of Los Gatos. The California Department of Housing and Community Development (HCD) determines overall housing needs for the Bay Area, and the Association of Bay Area Governments (ABAG) then assigns the Town its share of regional housing needs or RHNA. As summarized in Table 4, Los Gatos must plan for 376 new units of housing affordable to very low, low and moderate income households, and 171 new units of housing affordable to above moderate households by 2014. Since January 1, 2007, the beginning of the current RHNA tracking period, only 15 housing units affordable to above moderate income households have been built in the Town.

Table 4
Adjusted Regional Housing Needs Allocation (RHNA), 2007-2014
Town of Los Gatos

Income Category	New Housing Units Needed	Units Built, Under Construction and/or Approved ^a	Adjusted RHNA
Very Low (0-50%)	154	0	154
Low (51-80%)	100	0	100
Moderate (81-120%)	122	0	122
Subtotal	376	0	376
Above Moderate	186	15	171
Total	562	15	547

a. Since January 1, 2007.

Source: ABAG Final Regional Housing Needs Allocation (adopted May 2008), Design, Community & Environment (DC&E), Seifel Consulting Inc.

⁶ DataQuick Real Estate News, <http://www.dqnews.com>, November 2008.

5. Special Housing Needs Groups

Households with special needs represent a significant percentage of households in Los Gatos. Groups with special housing needs in Los Gatos include seniors, large family, single-parent and overcrowded households, persons with disabilities, and the homeless.⁷ Twenty two percent of the Town's households have one or more seniors, many of whom are likely to be aging in place.

A significant proportion of households with special needs, such as households with disabilities, are on fixed incomes, and thus could be considered extremely low income households. These groups are least likely to have their housing needs met by the private market. Table 5 summarizes the number of households and individuals in each group.

Table 5
Special Housing Needs Groups
Town of Los Gatos

	Total Households	Percent of Total Households
Seniors^a	2,631	22.0%
Large Family	760	6.4%
Single-Parent	611	5.1%
Overcrowded	312	2.6%
Subtotal of Special Needs Households	4,314	36.1%
Total Households in Los Gatos	11,960	100.0%
	Total Individuals	Percent of Total Population
Persons with Disabilities	1,776	6.2%
Homeless	30	0.1%
Subtotal of Special Needs Individuals	1,806	6.3%
Total Population in Los Gatos	28,813	100.0%

a. Households with one or more seniors.

Source: 2009 Draft Housing Element Update, Seifel Consulting Inc.

⁷ The U.S. Census defines an overcrowded household as one that is occupied by more than one person per room, excluding bathrooms and kitchens. The U.S. Census defines a large family household as a household with five or more persons.

B. Housing Element and Redevelopment Plan Goals

To stay in compliance with State Housing Element Law and the California Community Redevelopment Law (CRL), the Town and its Redevelopment Agency must meet the goals of the Housing Element and Redevelopment Plan. State Housing Element Law requires that local jurisdictions outline the housing needs in the community, the barriers or constraints to providing that housing, and actions proposed to address these concerns over a five-year period. In regards to housing, the CRL outlines certain affordable housing requirements for redevelopment project areas and redevelopment agencies, as described in more detail below. For the purposes of this Strategy, certain requirements apply only to the CRL and others apply only to Housing Element law. Where applicable, distinctions between the two laws are made.

The Town will continue to support and advance the Town's General Plan, and more specifically, the goals and strategies identified in the 2002-2006 Housing Element through the Affordable Housing Strategy, including⁸:

- Improve the choice of housing opportunities for senior citizens, families and singles and for all income groups through a variety of housing types and sizes, including a mixture of ownership and rental housing.
- Preserve existing moderately priced and historically significant housing.
- Eliminate racial discrimination, lack of disabled accessibility and all other forms of discrimination that prevent free choice in housing.
- Make infrastructure projects and residential and nonresidential developments be compatible with environmental quality and energy conservation.
- Reduce the homeless population.
- Provide housing affordable to people who work in the Town.

The Town and its Redevelopment Agency will continue to support and advance the primary affordable housing goal of the Redevelopment Plan, as follows:

- The expansion and improvement of the community's supply of low and moderate income housing.⁹

The Central Los Gatos Redevelopment Project Area's FY 2004/05–FY 2008/09 Implementation Plan states that the Agency will meet this goal through the following primary affordable housing objectives:¹⁰

- Initiate affordable housing projects within the Central Los Gatos Redevelopment Project Area.
- Provide zero interest loans for secondary dwelling units in the Central Los Gatos Redevelopment Project Area.

⁸ Town of Los Gatos Housing Element (2002-2006). The 2009 Housing Element Update at the time of this report.

⁹ Redevelopment Plan for the Central Los Gatos Redevelopment Project, adopted November 25, 1991.

¹⁰ Los Gatos Redevelopment Agency, FY 2004/05 to FY 2008/09 Implementation Plan, October 2004.

C. Redevelopment Affordable Housing Obligations

The CRL requires that a redevelopment agency comply with and fulfill its affordable housing responsibilities, including:

- **Housing Production:** Minimum percentages of new or substantially rehabilitated housing units in a project area are to be made available at an affordable housing cost.¹¹
- **Housing Set-Aside Fund Expenditure (Housing Fund):** Redevelopment agencies are required to deposit tax increment into the Housing Fund and expend tax increment revenue for the provision of affordable housing. Expenditures must be made according to specific target percentages for assisting various income levels and non age-restricted housing.

1. Housing Production

The Agency is expected to surpass its affordable housing production obligation for the Central Los Gatos Redevelopment Plan as required by CRL for the 2004 through 2014 production compliance period.¹²

2. Housing Set-Aside Fund Expenditure

The Agency currently has an excess surplus of Housing Fund monies of between \$500,000 and \$2 million.¹³ Timely expenditures are imperative to reduce the Agency's excess surplus and avoid penalties.

Under the CRL, Housing Fund moneys must be targeted to specific income levels according to need and to non age-restricted housing. The targeting obligations must be met over the expenditure compliance period beginning January 1, 2002 and ending in December 31, 2014.

Housing Fund moneys must be used to assist housing for persons of very low and low income in at least the same proportion to the total number of housing units needed for each of these income groups in the community. Table 6 shows the regional fair share allocation and the targeting objective currently applicable to the Town. The Agency is required to spend Housing Fund moneys in the following proportions: at least 41 percent for units affordable to very low income

¹¹ When new dwelling units are developed in a project area by public or private entities other than the Agency (with or without Agency assistance), or when housing is substantially rehabilitated in a project area by public or private entities with Agency assistance, at least 15 percent of these units must be affordable to, and occupied by, very low, low or moderate income households. Of those units, at least 40 percent must be affordable to very low income households. Affordable housing units that are produced (with or without Agency assistance) within the project area count towards meeting the Agency's production obligations on a one-for-one basis. For each unit produced outside of the project area (with or without Agency assistance), the Agency receives half a credit towards meeting the Agency's obligations. For "mutual self-help housing," like the housing built by Habitat for Humanity, one-third credit is given to the Agency for each unit produced within the project area.¹¹ One-sixth credit is given for self-help units produced outside of the project area.

¹² Los Gatos Redevelopment Agency, 2004 Implementation Plan Midterm Review, February 2008.

¹³ If an agency fails to expend the excess surplus within three years from the time the amount became an excess surplus, the agency is prohibited from expending moneys derived from any source (including non-housing funds) until it has encumbered or expended for qualified affordable housing activities the excess surplus amount plus an additional amount equal to 50 percent of the excess surplus amount. The additional amount must be from non-housing funds sources.

households, at least 27 percent for units affordable to low income households, and no more than 32 percent on housing affordable to moderate income households.

Table 6
Housing Set-Aside Fund Expenditure Targeting
By Income Level
Town of Los Gatos

Income Group and Relation to County Median Income	Total Housing Units Needed	Expenditure Percentage Need by Income Level
Very Low (0-50%)	154	At least 41%
Low Income (51-80%)	100	At least 27%
Moderate (81-120%)	122	No more than 32%
Total	376	100%

Source: ABAG Final Regional Housing Needs Allocation (May 2008), Seifel Consulting Inc.

In addition, a defined minimum percentage of Housing Fund moneys must be spent on housing available to all persons regardless of age. This minimum is equal to the percentage of Los Gatos' low income households with a member under age 65, as reported in the most recent U.S. Census. The 2000 Census indicates that 58 percent of the Town's low income households have a householder under 65 years of age, as shown in Table 7. Thus, the Agency must expend at minimum 58 percent of its funds on housing that does not impose age restrictions on residents.

Table 7
Housing Set-Aside Fund Expenditure Targeting
Non Age-Restricted Housing
Town of Los Gatos

Age Targeting^a	Low Income Households^b	Expenditure Percentage
Non Age-Restricted Housing	2,216	58%
Age-Restricted Housing	1,580	42%
Total	3,796	100%

a. Based on Census data showing low income households by householder age. (The Census does not report low income household information according to the age of household members.)

b. Includes households earning 80% or less of AMI based on limits published by HCD in 2000.

Source: 2000 U.S. Census, HCD Income Limits 2000.

D. Affordable Housing Strategy Criteria

Seifel synthesized the Town's housing needs, goals and obligations to recommend a set of criteria to guide the Town's decisions impacting affordable housing programs and projects shown in Table 8. For each category of needs, goals, or obligations, the criteria is measured by certain questions, the results of which are shown.

III. Existing Housing Programs

A variety of programs are currently available to assist the Town of Los Gatos in meeting its affordable housing needs, goals and obligations. This section reviews the Town's existing housing programs, the Town's participation in the Housing Trust of Santa Clara County and the current inventory of affordable housing in Los Gatos.

1. Town Housing Programs

The following are programs administered by the Town or in conjunction with affiliates and partners such as the Los Gatos Redevelopment Agency and the Santa Clara County Office of Affordable Housing.

d. Below Market Price (BMP) Program and In-Lieu Fees

The Town's BMP Program requires that a certain percentage of units in new residential developments containing five or more units be designated for low and moderate income occupancy.¹⁴ Affordable units developed under the BMP Program are subject to deed restrictions that are designed to ensure that the units will remain affordable in perpetuity. Projects between five to ten units may contribute an in-lieu fee instead of constructing actual units. These fees are deposited into the Town's BMP In-Lieu Fee and are used as a source of funding for affordable housing developments. To date, 128 units have been produced through this program.¹⁵

e. Density Bonus Program

The Town's Density Bonus Program provides a density bonus of up to 100 percent of the units permitted under zoning regulations for housing restricted to seniors, disabled persons, as well as very low and low income households.

¹⁴ New residential developments affected by the BMP Program includes every multifamily rental dwelling project at the building permit application stage, every residential condominium or planned development subdivision at the time of subdivision, and every community apartment project and every residential stock cooperative apartment or unit project at the time of subdivision if the transaction involves subdivision, or at the time of sale, if it does not.

¹⁵ See Appendix B: Town of Los Gatos, Subsidized Housing Units.

Table 8
Proposed Criteria for Use of Housing Set-Aside Funds and BMP Funds
Town of Los Gatos

Criteria	Questions	Response
Special Needs Households - Seniors	<ul style="list-style-type: none"> How many units are created for seniors? See also Redevelopment Obligations: Non-Age Targeting. 	# of Units See Below
Special Needs Households - Large Family	<ul style="list-style-type: none"> How many units of 3 bedrooms or larger are created? 	# of Units
Special Needs Households - Single Parent	<ul style="list-style-type: none"> How many units are created for single-parents? 	# of Units
Special Needs Individuals - Persons with Disabilities	<ul style="list-style-type: none"> How many units are created for and accessible to persons with disabilities? See also Housing Element Goal: Eliminate lack of disability accessibility. 	# of Units
Improve the choice of housing opportunities for senior citizens, families and singles and for all income groups through a variety of housing types and sizes, including a mixture of ownership and rental housing.	<ul style="list-style-type: none"> For what population is the housing being developed? What is the tenure of the units being developed? What is the mix of unit sizes? See also Community Affordable Housing Needs: Special Needs - Seniors and Redevelopment Obligations: Non-Age Targeting. 	# Units by population (Senior/Family/Singles) # Units by Tenure (Ownership/Rental) # Units by size (bedroom count)
Preserve existing moderately priced and historically significant housing.	<ul style="list-style-type: none"> How many housing units are significantly rehabilitated, particularly for moderate income households (per CRL definitions)? 	# of Units by Rehabilitation/Preservation # of Historically Significant Units
Eliminate racial discrimination, lack of disabled accessibility and all other forms of discrimination that prevent free choice in housing.	<ul style="list-style-type: none"> How many historically significant units are preserved? 	Yes/No
Make infrastructure projects and residential and nonresidential developments be compatible with environmental quality and energy conservation.	<ul style="list-style-type: none"> Does the development promote housing to all populations? Does the development provide ADA-compliant accessibility? Will the investment result in infrastructure improvements with the highest energy efficiency ratings and/or providing improvements to the Town environmental quality? 	Yes/No Yes/No
Reduce the homeless population.	<ul style="list-style-type: none"> Does the project provide housing for the formerly homeless or housing for the homeless population? 	Yes/No
Provide housing affordable to people who work in the Town.	<ul style="list-style-type: none"> Does the population being served by the housing work in Los Gatos? Is the housing affordable to all residents who work in Los Gatos? 	Yes/No
Expand and improve of the community's supply of low- and moderate-income housing.	<ul style="list-style-type: none"> How many housing units are created &/or significantly rehabilitated, particularly for low &/or moderate income households (per CRL definitions)? 	# of Units affordable by CRL definitions
Initiate affordable housing projects within the Central Los Gatos Redevelopment Project Area.	<ul style="list-style-type: none"> Is the project located within the Central Los Gatos Redevelopment Project Area? How many housing units are created &/or significantly rehabilitated, particularly for low &/or moderate income households (per CRL definitions)? 	Yes/No # of Units affordable by CRL definitions
Provide zero interest loans for secondary dwelling units in the Central Los Gatos Redevelopment Project Area.	<ul style="list-style-type: none"> Is the project located within the Central Los Gatos Redevelopment Project Area? Is the unit a secondary dwelling unit? 	Yes/No
Produce affordable housing in accordance with production requirements.	<ul style="list-style-type: none"> How many affordable units are located within the Central Los Gatos Redevelopment Project Area? (If not in Project Area, Agency receives 1 production credit for every 2 affordable units.) Does development contribute to Agency's obligation that 15% of all units built are affordable (40% of which must be affordable to very low income) according to CRL definitions? 	# of Units within Project Area # of Affordable Units Yes/No % of Affordable Units in development
Target Housing Set-Aside Fund expenditures to non-age restricted housing.	<ul style="list-style-type: none"> What amount of Housing Fund monies are spent towards the Agency's income targeting obligations as outlined in Table 6 of the Strategy? 	\$ Amount spent at each income level \$ Amounts as % of total Housing Fund expenditures during obligation period
Target Housing Set-Aside Fund expenditures to income level.	<ul style="list-style-type: none"> What amount of Housing Fund monies are spent towards the Agency's non-age restricted targeting obligations as outlined in Table 7 of the Strategy? 	\$ Amount spent on non-seniors \$ Amounts as % of total Housing Fund expenditures during obligation period

f. Assisting Affordable Housing Developments

Over the years, the Town and its Redevelopment Agency have facilitated the development of a number of affordable housing developments such as the Los Gatos Creek Village Apartments, Blossom Hill and more recently, projects with Senior Housing Solutions. Approximately 200 units of affordable housing have been created in the Town to date as a result of local support.¹⁶

g. Housing Conservation Program

The Town's Housing Conservation Program, administered by the Santa Clara County Office of Affordable Housing, was designed to assist in the rehabilitation of housing units occupied by lower income and special needs households. The Town provides both loans and grants to assist in financing repairs to correct health or building code violations, handicap accessibility modifications, earthquake safety or alleviate overcrowded situations. Since the program began in 1976, the Town has provided over 370 loans and grants through this program.¹⁷ The Housing Conservation Program currently has approximately \$500,000 available through its revolving fund.¹⁸

2. Housing Trust of Santa Clara County

The Town of Los Gatos contributes funds to the Housing Trust of Santa Clara County, a non-profit organization, which in turn uses the funds for affordable housing. Los Gatos has contributed \$100,000 per year to the Housing Trust from FY 2005/06 through FY 2007/08, and previously contributed \$250,000 in 2001.¹⁹ The Housing Trust uses these funds for two programs, the Affordable Multi-Family Rental Program, which provides loans to developers of affordable multi-family projects, and the First-Time Homebuyer Program, which assists low income households in securing below market rate financing to purchase homes.

In 2003, the Housing Trust provided a \$60,000 loan to fund a five-unit senior housing project in Los Gatos using the Town's funds. In 2008, the Housing Trust committed to assist in the development of another five units of senior affordable housing within the Town by providing a \$450,000 loan for Anne Way, a project by Senior Housing Solutions.

3. Affordable Housing Inventory

The Town and its Redevelopment Agency have facilitated the creation of numerous affordable housing units, primarily through the BMP Program and by assisting specific affordable housing developments. Table 9 summarizes the affordable housing inventory currently available in the Town and the income levels that are served by the units. This inventory only includes those units that have received local subsidies, among other funding sources. The Town of Los Gatos currently has over 300 subsidized housing units.

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Town of Los Gatos Draft Housing Element Update (2009).

¹⁹ Los Gatos Redevelopment Agency, 2004 Implementation Plan Midterm Review, February 2008.

Table 9
2008 Affordable Housing Inventory
Town of Los Gatos

	Very Low Income	Low Income	Moderate Income	Total
Rental				
Affordable Housing Developments	193	8	0	201
<u>BMP Program</u>	<u>0</u>	<u>93</u>	<u>1</u>	<u>94</u>
Subtotal	193	101	1	295
Ownership				
Affordable Housing Developments	1	0	0	1
<u>BMP Program</u>	<u>0</u>	<u>15</u>	<u>25</u>	<u>40</u>
Subtotal	1	15	25	41
Total	194	116	26	336

Source: Town of Los Gatos, Seifel Consulting Inc.

IV. Current and Projected Funds Available for Affordable Housing

An accurate understanding of the Town's funding resources is essential to determine the means by which the Town can address its affordable housing needs, goals and obligations. To achieve this, Seifel reviewed the funds currently available and funds projected to be available through FY 2013/14 to the Town and its Redevelopment Agency for housing programs.

The Town has two primary funding resources for programs to meet Los Gatos' affordable housing needs: the Redevelopment Housing Set-Aside Fund (Housing Fund) and Below Market Price (BMP) In-Lieu Fee Fund.

As shown in Table 10, as of the end of FY 2007/08, the Town had approximately \$8.6 million in funding available for housing-related programs and activities. By FY 2013/14, the Town is projected to have approximately \$17.6 million available for housing-related programs and activities. Seifel conservatively estimated that approximately \$1.5 million would accumulate annually between FY 2008/09 and FY 2013/14 in the Housing Fund and zero dollars for the BMP In-Lieu Fee Fund.

Table 10
Funds Available for Affordable Housing
Town of Los Gatos

Funding Source	Actual Funds Available as of FY 2007/08	Projected Funds Available FY 2008/09 - FY 2013/14	Total Projected Funds Available	%
Housing Fund	\$ 7,199,000	\$ 9,000,000	\$ 16,199,000	92%
BMP In-Lieu Fee Fund	\$ 1,381,000	\$ -	\$ 1,381,000	8%
Total Funds	\$ 8,580,000	\$ 9,000,000	\$ 17,580,000	100%

Source: Town of Los Gatos, Seifel Consulting Inc.

The funding sources in Table 10 are the most reliable source of local funding, as the amount of Federal and State funding sources for affordable housing vary widely from year to year, and the Town must compete to receive many of these funds. As the Town has done in the past, it will continue to use its local funds to leverage Federal and State housing resources, including:

- CDBG and HOME
- State of California, Department of Housing and Community Development
- California Housing Finance Agency
- Federal and State Low Income Housing Tax Credits
- Federal Home Loan Bank
- Mortgage Credit Certificates

V. Affordable Housing Strategy

As described above, the Town has a variety of existing housing programs to further its goals to meet the community's housing needs and expand the Town's supply of affordable housing. Seifel recommends that many of the existing programs be continued and new programs be initiated. The criteria shown previously in Table 8 were used to formulate the recommended enhancements to existing housing programs and to propose new housing programs and initiatives. The section below presents the proposed housing programs, including both existing and new initiatives.

A. Enhancements to Existing Housing Programs

Seifel recommends that the Town's existing programs continue with potential enhancements to each, as follows:

1. Housing Trust of Santa Clara County

As described in Section III, the Redevelopment Agency has been contributing money from the Housing Fund to the Housing Trust of Santa Clara County under an agreement between the Agency and the Housing Trust that the funds be expended for the production of affordable housing in Los Gatos. The Agency provided \$250,000 in 2001 and \$100,000 annually for three years between 2005 and 2007. The 2001 funds were not fully utilized within the timeframe agreed upon, and the agreement was amended in 2007 to allow an additional two years for the remaining funds to be expended.²⁰

Moving forward, Seifel recommends that the Town continue to monitor the funds granted to the Housing Trust to ensure that they are expended in a timely and efficient manner to produce as many affordable units as possible. In addition, the Agency must ensure that the funds are spent within the boundaries of Los Gatos to comply with CRL requirements.

2. First Time Homebuyer Program

The Town partners with the Housing Trust of Santa Clara County to administer a First Time Homebuyer Program (FTHB) for Los Gatos. According to Town staff, there have been few participants in this program in the past due to the difficulty of purchasing a first home in Los Gatos for low income households. Between 2001 and 2008, the Housing Trust provided five FTHB loans.²¹ Seifel recommends that the Town review and revise its policies for assisting first time homebuyers, and ensure that the Housing Trust administer the program to meet the Town's goals. The Town may consider targeting moderate and middle income households through the First Time Homebuyer Program using BMP In-Lieu Fee funds to create more home ownership opportunities for the Town's workforce. In addition, the Town may focus on utilizing First Time Homebuyer Program funds for multifamily condo projects.

²⁰ Town Council of Los Gatos, Town Council Agenda Report, May 16, 2007.

²¹ Based on data provided by the Housing Trust of Santa Clara County.

3. Housing Conservation Program

The Town partners with the Santa Clara County Office of Affordable Housing to administer the Housing Conservation Program. Between 2002 and 2007, eleven rehab loans were provided through this program. The Housing Conservation Program currently has a revolving fund that allows the fund to be replenished as rehabilitation loans are repaid. In order to satisfy the goals of the Central Los Gatos Redevelopment Plan, Seifel recommends that the Town focus the program to rehabilitate blighted properties within the Redevelopment Project Area and consider prioritizing the use of funds for projects that qualify as “substantial rehabilitation” as defined by the CRL in order to gain more housing production credits.²²

4. Below Market Price (BMP) and Density Bonus Programs

The BMP and Density Bonus Programs have been key components of the Town’s strategy for affordable housing production. For condo developments, the BMP Program requires developers to provide units affordable to median and low income households. For rental developments, developers must create units affordable to low income households.

As an enhancement to these programs, Seifel recommends that the Town actively seek to purchase additional affordability covenants and/or “buy down” affordability covenants in market rate for sale and rental developments that are required to provide BMP units. Affordability covenants are essentially deed restrictions on the property that retain the affordable housing price of the unit for a certain period of time. If Housing Funds are used, affordability covenants must be in place for at least 45 years for ownership properties and 55 years for rental properties.

As an example, for the Bay Tree Condominium Development by Lyon Capital Ventures, the Town may use its Housing Fund to purchase additional BMP units for sale beyond the required number of BMP units by the developer or provide additional subsidy to target lower income households.

While the Town’s Density Bonus Program is an important incentive for developers to include affordable housing within market rate developments, increasing density alone will likely not be enough to spur new affordable housing development. Since the BMP and Density Bonus Programs are dependent on market rate development, the Town will see fewer units produced through these programs in the near future due to the recent downturn in the real estate market and mortgage crisis.

B. Proposed Programs and Initiatives

In the next few years, the Town will need to focus on other tools to facilitate and encourage the development of affordable housing in Los Gatos. In past years, the Town and its Redevelopment Agency have collaborated with both for-profit and non-profit developers in the Bay Area to create new affordable housing development opportunities, primarily to create multifamily housing

²² “Substantial rehabilitation” is defined as a rehabilitation in which the rehabilitation costs constitute at least 25 percent of the after-rehabilitation value of the dwelling including the land value. AB 637 modified the CRL definition of substantially rehabilitated dwelling units such that, as of January 1, 2002, only agency-assisted substantially rehabilitated multifamily (three or more units) and agency-assisted substantially rehabilitated single family dwelling units (one or two units) will be included in the production unit calculation.

developments. More recently, the Town has seen fewer affordable housing developments proposals in Los Gatos for various reasons, such as high development costs and availability of suitable sites. To address these problems, Seifel recommends that the Town issue a Notice of Funding Availability and create a Property Acquisition Fund, as described in more detail below.

1. Issue Notice of Funding Availability (NOFA) for Multifamily Housing

The Town may issue a NOFA to attract proposals from for-profit and non-profit developers to develop mixed income or 100 percent affordable multifamily housing projects. Seifel recommends that the NOFA be written to request applications for both new infill development and acquisition/rehab of existing apartments in Los Gatos.

The NOFA may be geared toward specific project sites that the Town is investigating. Appendix A summarizes a preliminary list of sites that Seifel and Town staff have identified for potential new infill development and acquisition/rehab. The Town may issue a NOFA in the future for any of these sites once project readiness is established. Alternatively, an open NOFA may be written to encourage proposals for sites that have not been considered by the Town.

Seifel recommends that the NOFA outline the type of projects that the Town is looking for and the criteria that would be used to evaluate the proposals. The NOFA can be written to be flexible in terms of the type of tenure, income mix and special needs groups that the project must fulfill to encourage as many proposals as possible.

2. Create a Property Acquisition Fund

In the current real estate market downturn, the Town may take advantage of the decrease in property values to prepare suitable sites for affordable housing development by creating a property acquisition fund. The Town may use this fund to acquire vacant parcels or properties for redevelopment, with a particular focus on blighted and/or foreclosed properties.

Purchasing sites to be designated for future affordable housing is a proper use of Redevelopment Housing Set-Aside funds and may also be an effective way to decrease the Redevelopment Agency's excess surplus.²³

3. Purchase Affordability Covenants in Existing Apartments

The Town may purchase affordability covenants to increase the supply of affordable housing or "buy-down" existing affordability covenants to have deeper affordable units in existing rental properties. This recommended program is analogous to purchasing covenants in new developments in conjunction with the BMP program, but for existing apartments. Affordability covenants are essentially deed restrictions on the property that retain the affordable housing price of the unit for a certain period of time. If using Housing Funds, the covenants must be in place for at least 55 years for rental properties.

²³ Under California Redevelopment Law (CRL), an Agency must annually calculate and monitor whether it has accumulated an excess surplus in its Housing Fund. The CRL defines an excess surplus as unexpended and unencumbered funds accumulated in the Housing Fund that exceed the greater of \$1 million or the total amount deposited in the Agency's Housing Set-Aside Fund during the preceding four years. HCD annually monitors whether agencies have accumulated an excess surplus in the Housing Fund.

In existing and new rental developments, the Agency could provide a rehabilitation loan or another form of subsidy to a rental property owner in exchange for securing affordability covenants on a percentage of units and the owner's agreement to restrict rents on these units to levels that would be affordable to very low and low income households.

Each affordability covenant acquisition opportunity is unique because the owner may negotiate for a varying proportion of units to be restricted as well as the level of affordability. Seifel recommends that the Town work to secure units for very low and low income households through this program. In order to have a successful policy or program for purchasing affordability covenants, the Town must have a legal counsel that is familiar with structuring effective agreements, as well as dedicated resources for periodic monitoring to ensure that the agreements are met.

Seifel recommends that the Town investigate the potential of purchasing and buying-down affordability covenants for new rental developments coming on-line and existing apartments. In the tour with Town staff, Seifel identified a preliminary list of sites for acquiring covenants, as shown in Appendix A. In order to target existing apartments, the condition of the property and the background of the property owner should be assessed. The Town may then issue a Notice of Funding Availability (NOFA) to announce its intentions to purchase affordability covenants and attract interest from property owners.

4. Provide Zero Interest Loans for Secondary Dwelling Units

As one of the objectives of the Central Los Gatos Redevelopment Project Area, the Town and its Redevelopment Agency may sponsor a loan program to assist in the development of secondary dwelling apartment units for low and moderate income households. The Agency may provide zero interest loans for the production of secondary dwelling units in the Central Los Gatos Redevelopment Project Area that are restricted to occupancy by low and moderate income households, often called "in-law" units, typically referring to small one-bedroom or studio units located in existing single family homes or as detached units. If using Housing Funds, affordability covenants are required and must be in place for at least 55 years for rental properties. Seifel recommends implementing this program in an effort to increase affordable units in the Redevelopment Project Area.

C. Proposed Allocation of Resources

As funds for affordable housing are limited, the Town recognizes that its resources need to be prioritized to ensure the most effective use of funding. The recommended allocation of resources emphasizes a balanced Affordable Housing Strategy to meet the Town's housing needs. As discussed in Section IV and summarized in Table 10, the Town has \$8.6 million available for affordable housing (as of the end of FY 2007/08) and projects another \$9 million will be available by FY 2013/14 for a total of \$17.6 million. Table 11 below summarizes the proposed allocation of the Town's current available funds for affordable housing and total projected available funds for affordable housing through FY 2013/14 for existing and proposed programs. As several of the existing programs are administered by other entities, the Housing Trust of Santa Clara County and the County's Office of Affordable Housing, Seifel recommends that the Town review the goals and policies for these programs before allocating additional resources to them. The table

below also shows the potential number of affordable housing units that may be created through each program or initiative with the available funding resources given development opportunities.

Table 11
Proposed Allocation of Funds
Town of Los Gatos

	Funds Available as of FY 2007/08	Total Projected Funds Available FY 2008/09 - FY 2013/14			
				Projected Local Subsidy	Units
Programs and Initiatives	Total Allocation	Total Allocation	%		
<u>Existing</u>					
Housing Trust of Santa Clara County (HTSCC) ^a	\$ -	\$ -	0%	N/A	N/A
First Time Homebuyer Program (HTSCC) ^a	\$ -	\$ -	0%	N/A	N/A
Housing Conservation Program (SCC OAH) ^b	\$ -	\$ -	0%	N/A	N/A
BMP Program - Purchase Additional Affordability Covenants	\$ -	\$ 1,000,000	6%	\$ 50,000	20
<u>Proposed</u>					
NOFA for Multifamily Housing					
Infill Development	\$ 2,928,000	\$ 5,000,000	28%	\$ 70,000	71
Acquisition/Rehab	\$ 2,196,000	\$ 4,500,000	26%	\$ 60,000	75
Property Acquisition Fund	\$ 1,464,000	\$ 3,000,000	17%	N/A	N/A
Purchase Affordability Covenants in Existing Apartments	\$ 976,000	\$ 2,000,000	11%	\$ 50,000	40
Other Housing Activities - Secondary Dwelling Loans	\$ 137,000	\$ 280,000	2%	\$ 30,000	9
Program and Initiatives Subtotal	\$ 7,702,000	\$ 15,780,000	90%	\$ 73,000	215
Administration Costs	\$ 878,000	\$ 1,800,000	10%		
Total Allocation	\$ 8,580,000	\$ 17,580,000	100%		

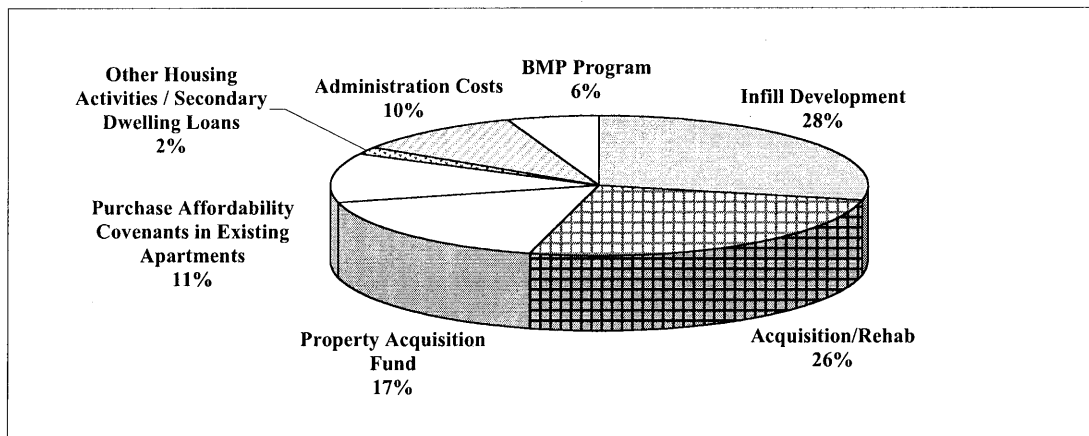
a. These programs are administered by the Housing Trust of Santa Clara County.

b. This program is administered by the County's Office of Affordable Housing.

Source: Town of Los Gatos, Seifel Consulting Inc.

Figure 1 demonstrates the proposed distribution of funds across the different programs and initiatives.

Figure 1
Proposed Allocation of Funds
Town of Los Gatos



VI. Conclusions and Next Steps

The Town and its Redevelopment Agency seek to use available resources to increase the supply of affordable housing in Los Gatos and to meet the Housing Element and Redevelopment Plan goals and obligations.

As such, Seifel recommends steps that the Town may take to enhance its existing housing programs. For programs that are administered in partnership with other entities, such as the Housing Trust of Santa Clara County and Santa Clara County Office of Affordable Housing, the Town may consider reviewing and refining its policies to ensure that the community's affordable housing goals are being met.

Seifel also recommends that the Town and Agency take steps to implement the following new programs and initiatives with support from the Town Council and community:

- Issue Notice of Funding Availability (NOFA) for Multifamily Housing
- Create a Property Acquisition Fund
- Purchase Affordability Covenants in Existing Apartments
- Provide Zero Interest Loans for Secondary Dwelling Units

Appendix A:

Potential Sites for New Infill Development, Acquisition/Rehab and Purchasing Affordability Covenants

1. Potential Sites for New Infill Development

a. Ditto's Lane

Ditto's Lane is a privately-owned property containing an abandoned building, formerly a bordello, and three other existing structures. The Town is interested in acquiring the property and working with a developer to produce affordable housing units on the site. The Town has placed an offer to purchase the property in the past, but was rejected by the owner. The Ditto's Lane site currently does not have sufficient access rights to build additional units. Town staff believes that obtaining access rights and improving access for the site will be challenging because access from College Avenue is not feasible.

2. Potential Sites for Acquisition/Rehab of Existing Apartments

a. Foothill Apartments

Foothill Apartments is a 21-unit building within the Central Los Gatos Redevelopment Project Area in Downtown Los Gatos. According to Town staff, a developer has expressed interest in creating affordable units on the site and is willing to work with the Town.

b. Riviera Terrace Apartments

Seifel recommends that the Town evaluate the potential project at Riviera Terrace, a 123-unit apartment building at the end of Town Terrace Road. Sobrato Development currently owns the building and has expressed interest in the past of rehabilitating the apartment and converting the units to below market rate and creating 100 additional market rate units in the back of the site in parking area. The project was rejected by the Town's Conceptual Development Advisory Committee, the initial planning approval committee for development applications, in the past due to the size of the proposed development and potential traffic impacts.¹

3. Potential Sites for Purchasing Affordability Covenants in Existing Apartments

a. Bay Tree Condominium Development by Lyon Capital Ventures

Lyon has an approved planned development application to convert 56 rental units to condominiums, resulting in an obligation of 8 affordable units under the Below Market Price (BMP) Housing Program. The Town could consider the possibility of buying additional BMP units or converting several of the currently proposed BMP units into units that are affordable to lower income levels.

¹ "Expansion of Riviera Terrace Apartments draws criticism from advisory committee." Los Gatos Weekly Times. July 18, 2001.

b. Landmark/La Mar Apartments and Town Terrace Road

In the tour with Town staff, Seifel viewed the Landmark and La Mar apartments on Oka Road and other small and large rental properties along Town Terrace Road as potential projects. These properties may be investigated further as opportunities for purchasing affordability covenants.